

UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

* * *

INAG, Inc. and Mark H. Jones and Sheryle L.
Jones as Trustees of the Mark Hamilton Jones
and Sheryle Lynn Jones Family Trust U/A/D
November 7, 2013,

Plaintiffs,

v.

Richar, Inc.,

Defendant.

Case No. 2:16-cv-00722-RFB-EJY

ORDER

I. INTRODUCTION

Before the Court are Plaintiffs' Motion for Summary Judgment, (ECF No. 95), Defendant's Cross-Motion for Summary Judgment, (ECF No. 116), and Defendant's Objection to the Magistrate Judge's Order Granting Plaintiffs' Motion to Strike Defendant's Expert Report and Denying Defendant's Motion to Amend, (ECF No. 128).

For the reasons stated below, the Court AFFIRMS the Magistrate Judge's Order, DENIES Plaintiffs' Motion for Summary Judgment, and DENIES Defendant's Motion for Summary Judgment.

II. PROCEDURAL HISTORY

This is a patent infringement case involving two competitors who are involved in the manufacture and sale of roulette-style casino games.

Plaintiffs filed the Complaint in this case on March 31, 2016. ECF No. 1. On June 8, 2016, Defendant filed suit in this Court against Plaintiffs, alleging that the patent at issue is invalid. See 2:16-cv-01282-RCJ-CWH. Plaintiffs amended their complaint and demanded a jury trial on June 27, 2016. ECF No. 5. On August 16, 2016, this Court consolidated the two cases under the instant

1 case number. ECF Nos. 11, 16. Defendant filed an answer the same day, alleging that the ‘853
2 Patent is void, invalid, and unenforceable. ECF No. 13.

3 Pursuant to the District of Nevada’s Local Patent Rules, Plaintiffs filed their Infringement
4 Contentions on November 4, 2016. ECF No. 31. Defendant filed its Non-Infringement, Invalidity,
5 and Unenforceability Contentions on December 8, 2016, and served Supplemental Contentions on
6 January 31, 2017. ECF Nos. 99-3, 99-4.

7 Plaintiffs filed an opening claim construction brief on March 20, 2017. ECF No. 58.
8 Defendant filed its response on April 17, 2017. ECF No. 61. Plaintiffs filed their reply on May 1,
9 2017. ECF No. 64. The Court held a claim construction hearing on July 20, 2018. The parties
10 submitted simultaneous supplemental claim construction briefs on August 13, 2018.

11 Defendant filed an Ex Parte Reexamination (“EPR”) petition with the USPTO on October
12 7, 2019, seeking to invalidate all asserted claims of the patent at issue in this case (U.S. Patent No.
13 7,669,853 (the “853 Patent”)). In sum and substance, Defendant argued that various prior art
14 references, including the Wheel of Fortune’s “Bonus Wheel” (the “Bonus Wheel”), singularly or
15 in combination with other patents, rendered the ‘853 Patent’s claims obvious or anticipated. The
16 USPTO rejected this primary basis for reexamination.

17 On July 16, 2020, this Court issued a Claim Construction Order. ECF No. 84. The parties
18 agreed to a Post-Claim Construction Scheduling Order on July 30, 2020. ECF No. 87. Pursuant to
19 that Scheduling Order, the parties agreed to conclude fact discovery by August 31, 2020, to
20 exchange opening expert reports by September 30, 2020, to exchange rebuttal expert reports by
21 October 30, 2020, and to conclude expert discovery by December 14, 2020. Ibid.

22 The parties engaged in unsuccessful settlement discussions on August 18, 2020. ECF No.
23 89. On October 30, 2020, Plaintiffs moved for summary judgment. ECF No. 96. Defendant
24 responded on November 20, 2020, ECF No. 104, and Plaintiffs replied on December 4, 2020, ECF
25 No. 108. In the interim, on November 2, 2020, Plaintiffs filed a Motion to Strike the Expert Report
26 of Defendant’s expert, Stacy Friedman. ECF No. 99. Defendant responded to the Motion to Strike
27 on November 16, 2020, ECF No. 101, and filed a Motion for Leave to Amend its invalidity
28

1 contentions on November 18, 2020. ECF No. 103. Plaintiffs replied on November 23, 2020. ECF
2 No. 106.

3 On January 13, 2021, Defendant cross-moved for summary judgment. ECF No. 116.
4 Plaintiffs responded on February 10, 2021, ECF No. 120, and Defendant replied on March 3, 2021,
5 ECF No. 126.

6 On April 22, 2021, Magistrate Judge Youchah entered an Order granting Plaintiffs' Motion
7 to Strike Defendant's Expert Report in its entirety and denying Defendant's Motion to Amend.
8 ECF No. 127. Defendant filed an objection of Judge Youchah's Order on May 6, 2021. ECF No.
9 128. Plaintiffs responded on May 20, 2021. ECF No. 129.

10 This omnibus order follows.

11 12 **III. BACKGROUND OF THE PATENT & THE ALLEGED INFRINGING PRODUCT**

13 **A. The '853 Patent**

14 Plaintiff INAG, Inc. is a Nevada corporation specializing in the development, manufacture,
15 and distribution of casino table games and related equipment, particularly in Tribal casinos.
16 Through its President and principal shareholder Mark H. Jones ("Jones"), Plaintiff developed a
17 novel casino machine and method that replicates a roulette-style table game. The machine, sold
18 and marketed as the Mystery Card Roulette ("MCR"), uses cards – rather than a roulette ball – to
19 determine a winning outcome. Plaintiff developed this novel method in response to bans in
20 California and Oklahoma on table games that employ roulette balls.

21 Plaintiff sought patent protection for its machine and method from the United States Patent
22 and Trademark Office ("USPTO"). Plaintiff's application was initially rejected as obvious in light
23 of prior art on February 3, 2009. In April 2009, Plaintiff responded to the rejection by emphasizing
24 that the invention was unique for its use of a "radially outermost stop" for the trays on its turntable.
25 The examiner rejected this response on July 14, 2009, noting that Plaintiff had not sufficiently
26 explained how the "radially outermost stop" "provides an advantage" over prior art which
27 performs the "same function." Plaintiff requested reconsideration on October 8, 2009 and argued
28 that the "radially outermost stop" constituted a "direct improvement" over prior art, because it

provided that “no matter what centrifugal forces are applied to the cards [] located in the Applicant’s turntable [], they cannot be dislodged by excessive centrifugal forces.”

The examiner agreed with this final argument, and on March 2, 2010, the USPTO awarded Plaintiff the ‘853 Patent, entitled “Card Shuffling Machine.” In approving Plaintiff’s claims, the examiner observed that it agreed with INAG’s argument that the claimed “‘radially outermost stop’ prevents cards from being dislodged and thrown or slid out of the wheel by excessive centrifugal forces. Also, the ‘radially outermost stop’ prevents cards from creeping out of their trays, thereby maintaining the cards in an evenly aligned row around the wheel.”

The ‘853 Patent consists of twenty claims. Plaintiffs allege that Richer Roulette infringes the following four claims:

Claim 1: A card shuffling machine for singulating a card from among a set of cards in a game of chance, said machine comprising:

[a] a stationary base for establishing a generally vertical central axis;

[b] a turntable moveably supported above said base for free rotation within a generally horizontal plane about said central axis;

[c] said turntable including a defined plurality of trays, said trays equally circumferentially spaced apart one from another about said central axis, each said tray including a radially outermost stop;

[d] said turntable further including a plurality of dividers, said plurality of dividers being equal in number to said defined plurality of trays and spaced on from another in equal circumferentially-spaced increments about said central axis;

[e] a detent fixed relative to said base and operatively interactive with said dividers, said detent effective to apply a pulsating resistance to free rotation of said turntable and thereby progressively slow said turntable to a stopped condition relative to said base;

[f] a set of cards equal in number to said defined plurality of trays, each said card bearing an indicia related to a decision for a game of chance; and

[g] one said card removably disposed in each of said trays, whereby a random one of said cards is singulated from said set of cards by progressively slowing a free rotating said turntable to rest through the interference of said detent.

Claim 10: The card shuffling machine according to claim 1 including a pointer fixed relative to said base for indicating one of said plurality of trays.

Claim 16: A method for playing a game of chance with a rotary card shuffling machine, said method comprising the steps of:

[a] providing a stationary base for establishing a generally vertical central axis;

[b] moveably supporting a turntable above the base for free rotation within a generally horizontal plane about the central axis;

[c] forming a plurality of trays in the turntable that are equally circumferentially

1 spaced apart one from another about the central axis, each tray having a radially outermost
2 stop;

3 [d] providing a set of cards equal in number to the plurality of trays, each card
4 bearing an indicia related to a decision for a game of chance;

5 [e] removably disposing one card in a respective tray adjacent its stop;

6 [f] providing a bet selection region;

7 [g] making a forecast on the outcome of said game of chance by associating a
8 marker on the bet selection region with at least one of many possible game outcomes;

9 [h] accelerating the turntable to a maximum rotating speed with the cards retained
10 in their respective trays against the influence of centrifugal forces by the stop at the radially
11 outermost portion of the trays and then allowing the turntable to freely rotate about the
12 central axis;

13 [i] progressively slowing the free rotating turntable;

14 [j] stopping the turntable at a random angular position relative to the base;

15 [k] removing at least one card from its respective tray in response to the random
16 angular position of the turntable relative to the base; and

17 [l] announcing a game decision based on the indicia of the at least one card removed
18 from its tray.

19 **Claim 17:** The method for playing a game of chance according to claim 16 wherein said
20 step of announcing a game decision including displaying an image of the one card removed
21 from its tray on a video monitor.

22 **B. Richar's Allegedly Infringing Game**

23 Defendant Richar, Inc. is an Oklahoma corporation engaged in the manufacture, sale, and
24 offer for sale of a casino table game called "Richer Roulette." The Richer Roulette is a game of
25 chance, wherein a dealer spins the roulette wheel and identifies a number affixed to a game piece.
26 Plaintiffs allege that Defendant's Richer Roulette game infringes the '853 Patent, and that the
27 Richer Roulette has displaced the MCR in at least five casinos that previously carried INAG's
28 machine.

29 **C. The Court's Claim Construction Order**

30 This Court's Claim Construction Order found the following terms appearing in the asserted
31 claims to be undisputed: "above," "interference," "card(s)," and "detent fixed relative to said base
32 and operatively interactive with said divider." Accordingly, the Court directed that these terms are
33 to be given their plain and ordinary meaning.

34 The Court's Order found the following terms to be in dispute: "tray," "dividers," and
35 "maximum." The Court found the proper construction of "tray" to be "a semi enclosed receptacle

1 sized to receive and hold a card”; “dividers” to be “structures equal in number to the receptacles
2 and configured to interact with the detent”; and “maximum” to be “a rate sufficient to achieve a
3 random outcome.”

4 5 **IV. DEFENDANT’S OBJECTION TO THE ORDER STRIKING ITS EXPERT REPORT AND 6 DENYING ITS MOTION TO AMEND**

7 Before this Court turns to Plaintiffs’ and Defendant’s cross-motions for Summary
8 Judgment, it must first address Defendant’s Objections to Magistrate Judge Youchah’s Order
9 Striking Defendant’s Expert Report and Denying Defendant’s Motion to Amend, as the Court’s
10 ruling on Defendant’s Objections impacts its evaluation of the summary judgment motions.

11 This Court has reviewed Defendant’s Objections, ECF No. 128, and affirms the Magistrate
12 Judge’s Order.

13 **A. LEGAL STANDARD**

14 This Court “must consider timely objections” to any non-dispositive order issued by a
15 magistrate judge, and may modify or set aside any part of a magistrate judge’s order that is clearly
16 erroneous or contrary to law. Fed. R. Civ. P. 72(a); see also LR IB 3-1. A magistrate judge’s order
17 is “clearly erroneous” if the court has “a definite and firm conviction that a mistake has been
18 committed.” United States v. U.S. Gypsum Co., 333 U.S. 364, 395 (1948); Burdick v. Comm’r
19 IRS, 979 F.2d 1369, 1370 (9th Cir. 1992). A magistrate judge’s pretrial order issued under 28 USC
20 636(b)(1)(A) is not subject to de novo review, and the reviewing court “may not simply substitute
21 its judgment for that of the deciding court.” Grimes v. City & Cnty. of San Francisco, 951 F.2d
22 236, 241 (9th Cir. 1991).

23 **B. ANALYSIS**

24 In her September 30, 2020 report (the “Friedman Report” or “Report”), Defendant’s expert
25 Stacy Friedman opined that Claims 1, 10, 16, and 17 of the ‘853 Patent are rendered invalid by
26 four prior art references: the Wheel of Fortune’s “Bonus Wheel,” U.S. Patent No. 3,841,637 to
27 Piazza (the “Piazza Patent”), U.S. Patent No. 6,616,530 to Pearce, et al. (the “Pearce Patent”), and
28 U.S. Patent No. 5,636,838 to Caro (the “Caro Patent”). Specifically, the Friedman Report found
that the Bonus Wheel anticipated Claims 1 and 10 and rendered obvious Claims 1, 10, 16, and 17.

1 The Report further concluded that the Bonus Wheel, in combination with the Piazza, Pearce, and
2 Caro Patents, rendered the ‘853 Patent obvious.

3 Plaintiffs moved to strike the Friedman Report in its entirety based on Defendant’s alleged
4 failure to disclose its invalidity theories in either its initial Non-Infringement, Invalidity, and
5 Unenforceability Contentions, or in its Supplemental Contentions (collectively, the
6 “Contentions”). Specifically, Plaintiffs argued that Defendant failed to disclose the Bonus Wheel
7 in its Contentions, and that each prior-art based invalidity argument opinion relies at least in part
8 on the undisclosed Bonus Wheel. Plaintiffs further argued that the Friedman Report relied on
9 several prior art references in its “Background to the Technology” section that were also
10 undisclosed in Defendant’s Contentions – including, for instance, references to “Scarne’s New
11 Complete Guide to Gambling” and “California Roulette and California Craps as House-Banked
12 Card Games.” Finally, Plaintiffs alleged that the Friedman Report found that the asserted claims
13 were invalid for lack of written description and enablement and as indefinite under 35 USC § 112
14 – invalidity theories also not disclosed in Defendant’s Contentions. Because every opinion
15 presented in the Report as to the ‘853 Patent’s invalidity relied on theories and prior art references
16 not disclosed in Defendant’s Contentions, Plaintiff requested that the entire Report be stricken.

17 Defendant responded that Plaintiffs were put on sufficient notice of Defendant’s position
18 that the Bonus Wheel invalidates the ‘853 Patent through the October 2019 USPTO EPR petition
19 and other documents and filings. Defendant added that the Friedman Report’s opinions on
20 invalidity for “lack of written description and enablement and as indefinite” also should not be
21 stricken, because those opinions “were first contemplated just as the Friedman Report was being
22 finalized,” and would thus have been “literally impossible for Defendant to disclose” in its earlier
23 Contentions. Defendant later filed a Motion for Leave to Amend its Invalidity Contentions, in
24 which it omitted all previous invalidity Contentions which relied solely on the Caro, Piazza, and
25 Pearce Patents, and replaced those Contentions with disclosures regarding the Bonus Wheel as
26 prior art.

27 On April 22, 2021, Magistrate Judge Youchah granted Plaintiffs’ Motion to Strike and
28 denied Defendant’s Motion to Amend. Judge Youchah noted that under the District of Nevada’s

1 Local Patent Rules, parties opposing a claim of patent infringement must serve upon all other
2 parties Non-Infringement, Invalidity, and Unenforceability Contentions that disclose all
3 contentions of invalidity, including identifications of prior art alleged to render the asserted claims
4 obvious. Order at 5 (quoting LPR 1-8). Judge Youchah observed that amendments to a party's
5 Contentions are permitted within 30 days of a Court's Claim Construction order and may not be
6 made later absent a showing of good cause. Ibid. (quoting LPR 1-18a, -12). These scheduling rules
7 and conservative amendment requirements, Judge Youchah emphasized, exist to "prevent the
8 'shifting sands' approach to claim construction," and both the Federal Circuit and Ninth Circuit
9 Courts of Appeals have granted District Courts ample leeway to strictly enforce their local patent
10 rules and scheduling orders. Id. at 5-6 (citations omitted).

11 Judge Youchah found that Defendant "waited, at most, thirteen months (from the date of
12 the USPTO request), or at the very least, four months (from the date of the Court's Claim
13 Construction Order) to seek amendment" of its Contentions, despite having known about the
14 Bonus Wheel since as early as October 2019. She noted that Defendant did not "adequately explain
15 what kept it from doing so," and rejected Defendant's argument that the case was "on ice" between
16 July 30, 2018, when this Court held the Claim Construction hearing, and July 16, 2020, when it
17 issued its Claim Construction Order. Judge Youchah further rejected Defendant's argument that
18 the USPTO EPR constituted a sufficient disclosure for the purposes of satisfying the LPR, because
19 the USPTO declined to consider the Bonus Wheel as prior art. Finding that Defendant failed to act
20 with sufficient diligence in amending its Contentions, Judge Youchah concluded that good cause
21 did not exist for Defendant to belatedly amend its disclosures. Judge Youchah granted Plaintiffs'
22 Motion to Strike the Report in its entirety, reasoning that every substantive portion of the Report
23 relied upon undisclosed theories of invalidity.

24 In its objection to Judge Youchah's order, Defendant reasserts many of the same arguments
25 raised in its initial Response to Plaintiffs' Motion to Strike. Defendant primarily argues that it
26 repeatedly disclosed its Bonus Wheel prior art contentions through its filing of the EPR in October
27 2019, and thereafter through supplemental discovery responses, deposition testimony, meet-and-
28 confer conversations with Plaintiffs' counsel, Rule 26 disclosures, and settlement discussions.

1 Defendant adds that “virtually no discovery or docket activity took place between *either party*”
2 between August 2018 and July 2020, when the Court issued its Claim Construction Order.
3 Defendant suggests that it had “no reason to rush to further amend its contentions” before receiving
4 this Court’s Order, particularly in light of the disclosures of the Bonus Wheel that Defendant
5 contends it made through “prior filings and discovery.”

6 The Court does not find that the Magistrate Judge’s decision is clearly erroneous or
7 contrary to law. Judge Youchah properly applied the clearly stated language of the Local Patent
8 Rules, which provide that parties opposing a claim of infringement must include in their
9 Contentions, *inter alia*, “a detailed description of the factual and legal grounds for contentions of
10 invalidity . . . including an identification of the prior art relied upon,” “[w]hether each item of prior
11 art anticipates each asserted claim or renders it obvious,” and “[a] chart identifying specifically
12 where in each alleged item of prior art each limitation of each asserted claim is found.” LPR 1-8.
13 Alternatively, the parties must amend their Contentions to include these details “[w]ithin 30 days
14 of a Claim Construction Order.” LPR 1-18a. Judge Youchah examined Defendant’s USPTO EPR
15 request and found not only that the EPR failed to disclose all of the theories in the Friedman Report,
16 but also that the EPR could not constitute sufficient notice because the examiner squarely rejected
17 the EPR on the basis that Defendant could not show that the Bonus Wheel was published *prior to*
18 the ‘853 Patent. In other words, because the USPTO could not confirm that the Bonus Wheel was
19 prior art, Plaintiffs could not rely on the EPR for the purposes of prior art disclosure, and Defendant
20 should have been more greatly incentivized to amend its invalidity contentions for clarity. Judge
21 Youchah further examined all of the non-EPR documents and filings that Defendant has asserted
22 contain the required disclosures and concluded that “none of them included invalidity charts or
23 other details required by LPR 1-8.” In light of Defendant’s omissions and failure to diligently
24 amend its Contentions as required by the local rules, Judge Youchah properly concluded that none
25 of the good cause bases for belated amendment apply, and acted within her discretion to deny
26 Defendant’s Motion to Amend.¹

27
28 ¹ Good cause bases include “material changes to the other party’s contentions,” “recent discovery
of material prior art despite earlier diligent search,” and “recent discovery of nonpublic
information about the Accused Instrumentality despite earlier diligent search.” LPR 1-12.

1 Defendant contends that the Order “commits further error in holding that Plaintiffs would
2 suffer prejudice from [Defendant’s] expert report or proposed [amended] contention,” because
3 Plaintiffs have known about Defendant’s invalidity arguments “for several years,” and have even
4 responded to the Bonus Wheel invalidity theories through their own rebuttal expert report and in
5 their summary judgment briefing. Because the Magistrate Judge properly found that Defendant
6 failed to act diligently in moving to amend its infringement contentions, the question of prejudice
7 to Plaintiffs need not be addressed. See O2 Micro Intern. Ltd. V. Monolithic Power Systems, Inc.,
8 467 F.3d 1355, 1368 (Fed. Cir. 2006) (“Having concluded that the district court could properly
9 conclude that O2 Micro did not act diligently in moving to amend its infringement contentions, we
10 see no need to consider the question of prejudice to MPS.”). That said, however, this Court agrees
11 with Judge Youchah that any prejudice to Plaintiffs is not negated by the mere fact that Plaintiffs
12 did their due diligence in responding to Defendant’s improperly disclosed invalidity theories. Nor
13 does Plaintiffs’ thorough response excuse Defendant of its obligation to comply with the local
14 rules.

15 Defendant also raises the following new arguments not previously presented to the
16 Magistrate Judge: (1) the initial and post-claim construction scheduling orders did not mention
17 LPR 1-18a, which excuses Defendant’s failure to comply with the Rule; (2) Plaintiffs drafted the
18 post-Claim Construction Order and thus either intentionally omitted LPR 1-18a, or implicitly
19 acknowledged its notice of the Bonus Wheel by omission of LPR 1-18a; (3) under the prior version
20 of the Rule, Defendant could have amended contentions at any time before the close of discovery;
21 and (4) Judge Youchah could have imposed less stringent sanctions, such as by striking only those
22 arguments that had never been raised before, or reopening unilateral fact discovery regarding the
23 Bonus Wheel. This Court agrees with Plaintiffs that Defendant has waived these arguments by
24 failing to present them in the first instance to the Magistrate Judge. See Greenhow v. Sec’y of
25 Health & Human Servs., 863 F.2d 633, 638-39 (9th Cir. 1988) (stating that it would “frustrate the
26 purpose of the Magistrates Act” to “allow[] parties to litigate fully their case before the magistrate
27 and, if unsuccessful, to change their strategy and present a different theory to the district court”),
28 overruled on other grounds by United States v. Hardesty, 977 F.2d 1347 (9th Cir. 1992); see also

1 Pinder v. Byrnes, 2020 U.S. Dist. LEXIS 140032, *6 (D. Nev. Aug. 5, 2020), Global Experience
 2 Specialists, Inc. v. Cunniffe, 2014 U.S. Dist. LEXIS 103902, *3-4 (D. Nev. July 30, 2014).

3 This Court concludes that the Magistrate Judge's Order is neither clearly erroneous nor
 4 contrary to law. Because each opinion set forth in the Friedman Report relies upon theories or prior
 5 art references undisclosed in Defendant's Contentions, and only the description of the patent, the
 6 file history, and the background of the technology are unaffected by Defendant's omissions, the
 7 Magistrate Judge acted within her discretion to strike the Friedman Report in its entirety. See
 8 Howmedica Osteonics Corp. v. Zimmer, Inc., 822 F.3d 1312, 1324 (Fed. Cir. 2016) (affirming the
 9 district court's decision to strike a belatedly disclosed theory of infringement and stating that
 10 "[a]lthough the result may seem harsh," the district court committed no abuse of discretion in
 11 applying "its rather clearly stated rule"). As stated above, Judge Youchah also acted in accordance
 12 with law and committed no mistake in denying Defendant's Motion to Amend.

13 14 **V. PLAINTIFFS' AND DEFENDANT'S MOTIONS FOR SUMMARY JUDGMENT**

15 This Court has reviewed Plaintiffs' Motion for Summary Judgment, Defendant's
 16 Response, Plaintiffs' Reply, and all corresponding exhibits. The Court has also reviewed
 17 Defendant's Cross-Motion for Summary Judgment, Plaintiffs' Response, Defendant's Reply, and
 18 all corresponding exhibits. For the reasons set forth herein, the Court denies both motions.

19 **A. LEGAL STANDARD**

20 Summary judgment is proper when "the pleadings, the discovery and disclosure materials
 21 on file, and any affidavits show that there is no genuine issue as to any material fact and that the
 22 movant is entitled to judgment as a matter of law." Fed. R. Civ. P. 56(c). In assessing a motion for
 23 summary judgment, the court views all facts and draws all inferences in the light most favorable
 24 to the non-moving party. Matsushita Elec. Indus. Co. v. Zenith Radio Corp., 475 U.S. 574, 587
 25 (1986); Gonzalez v. City of Anaheim, 747 F.3d 789, 793 (9th Cir. 2014).

26 The Court applies a burden-shifting analysis to motions for summary judgment. "When the
 27 party moving for summary judgment would bear the burden of proof at trial, it must come forward
 28 with evidence which would entitle it to a directed verdict if the evidence went uncontroverted at

1 trial. In such a case, the moving party has the initial burden of establishing the absence of a genuine
 2 issue of fact on each issue material to its case.” C.A.R. Transp. Brokerage Co. v. Darden Rests.,
 3 Inc., 213 F.3d 474, 480 (9th Cir. 2000) (citations omitted). When the nonmoving party bears the
 4 burden of proving the claim or defense, the moving party can meet its burden either by presenting
 5 evidence to negate an essential element of the nonmoving party’s case, or by demonstrating that
 6 the nonmoving party failed to make a showing sufficient to establish an element essential to that
 7 party’s case on which that party will bear the burden of proof at trial. Celotex Corp. v. Catrett, 477
 8 U.S. 317, 323-324 (1986).

9 If the movant has carried its burden, the burden then shifts to the opposing party to establish
 10 that a genuine issue of material fact exists. Matsushita, 485 U.S. at 586. The non-moving party
 11 “must do more than simply show that there is some metaphysical doubt as to the material
 12 facts. . . . Where the record taken as a whole could not lead a rational trier of fact to find for the
 13 nonmoving party, there is no ‘genuine issue for trial.’” Scott v. Harris, 550 U.S. 372, 380 (2007)
 14 (quoting Matsushita, 475 U.S. at 586-87).

15 “A trial court can only consider admissible evidence in ruling on a motion for summary
 16 judgment.” Orr v. Bank of America, NT & SA, 285 F.3d 764, 773 (9th Cir. 2002). “We have
 17 repeatedly held that unauthenticated documents cannot be considered in a motion for summary
 18 judgment.” Id. However, unauthenticated documents produced by the opposing party in discovery
 19 may be considered where the opposing party did not contest their authenticity. See Maljack Prods.,
 20 Inc. v. GoodTimes Home Video Corp., 81 F.3d 881, 889 n.12 (9th Cir. 1996) (holding that the
 21 district court did not err in admitting documents where the opposing party produced the documents
 22 and did not contest their authenticity).

23 **B. ANALYSIS**

24 **1. Plaintiffs’ Motion for Summary Judgment**

25 Based on the Court’s construction of the disputed claim terms, see ECF. No. 84, and the
 26 discovery conducted in this case, Plaintiffs seek summary judgment on Claim 16. They argue that
 27 Defendant’s Richer Roulette literally infringes Claim 16. They further contend that they are
 28 entitled to summary judgment on the question of indirect infringement, because the undisputed

1 facts demonstrate that Defendant both induced and contributed to the infringement of the ‘853
2 Patent.

3 **a. Literal Infringement**

4 A party literally infringes a patent when it, “without authority makes, uses, offers to sell,
5 or sells any patented invention, within the United States or imports into the United States any
6 patented invention during the term of the patent therefor.” 35 USC § 271(a). A determination of
7 literal infringement requires a two-step analysis. Wright Medical Technology, Inc. v. Osteonics
8 Corp., 122 F.3d 1440, 1443 (Fed. Cir. 1997). First, the court must construe the asserted claims as
9 a matter of law to determine their meaning and scope. Ibid. The second step “is an analysis of
10 infringement, in which it must be determined whether a particular device infringes a properly
11 construed claim.” Ibid. A device or product literally infringes a patented invention if every one of
12 the limitations within the asserted claims is found in the accused device – if even one limitation is
13 missing or is not met as claimed, there is no literal infringement. Ibid.; Mas-Hamilton Grp. V.
14 Lagard, Inc., 156 F.3d 1206, 1211 (Fed. Cir. 1998) (citation omitted). Alternatively, the allegedly
15 infringing device or product may infringe under the doctrine of equivalents “if every limitation of
16 the asserted claim, or its ‘equivalent,’ is found in the accused subject matter, where an ‘equivalent’
17 differs from the claimed limitation only insubstantially.” Ibid. (quoting Ethicon Endo-Surgery, Inc.
18 v. U.S. Surgical Corp., 149 F.3d 1309, 1315 (Fed. Cir. 1998)). Infringement is a factual
19 determination – thus the question for the Court at the summary judgment stage is whether any
20 genuine issue of material fact exists as to infringement. Ibid. (citing Bai v. L & L Wings, Inc., 160
21 F.3d 1350, 1353 (Fed. Cir. 1998)).

22 Plaintiffs allege that Defendant literally infringes Claim 16 because the Richer Roulette
23 contains every limitation within the asserted claim. Defendant opposes summary judgment and
24 contends that a genuine dispute of material fact exists with respect to whether the Richer Roulette
25 contains the following four limitations within Claim 16: [a] “providing a stationary base for
26 establishing a generally vertical axis”; [c] “forming a plurality of trays in the turntable that are
27 equally circumferentially spaced apart one from another about the central axis, each tray having a
28 radially outermost stop”; [d] “providing a set of cards equal in number to the plurality of trays,

1 each card bearing an indicia related to a decision for a game of chance”; and [j] “stopping the
2 turntable at a random angular position relative to the base.”

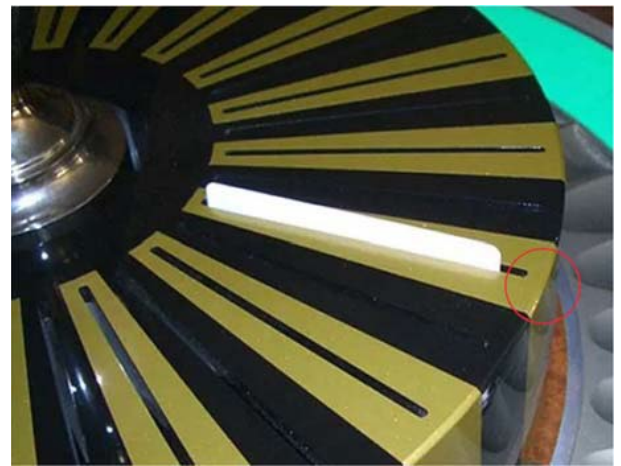
3 First, the Court finds that no genuine dispute of material fact exists as to whether the Richer
4 Roulette contains limitation [a] – “providing a stationary base for establishing a generally vertical
5 axis.” Plaintiff has carried its initial burden by citing to Defendant’s Non-Infringement, Invalidity,
6 and Unenforceability Contentions as well as its Supplemental Contentions, in which Defendant
7 failed to dispute that the Richer Roulette contains this limitation. Plaintiff has also pointed to
8 Defendant’s utility patent application, which identifies the Richer Roulette’s outer ring and bowl
9 as constituting a “base,” fixed to define a single generally vertical axis.

10 Defendant argues that a dispute exists as to whether the Richer Roulette’s outer ring or
11 “marker-cylinder” is a “stationary” base. Defendant argues that because the outer ring “necessarily
12 rotates whenever the game is being played,” it is not “stationary” within the meaning of limitation
13 [a]. Defendant also contends that Plaintiffs may not reference Defendant’s patent application to
14 support its claim of infringement, as only the “end product which actually operates on casino
15 floors” is subject to an infringement analysis. While the latter is true, the Court finds persuasive
16 the fact that Defendant *did not dispute* that the Richer Roulette contains limitation [a] in its
17 Contentions. And indeed, Defendant’s Response to Plaintiffs’ Motion for Summary Judgment
18 even concedes that “Richer Roulette does include a stationary component upon which the entire
19 device rests.” Thus, Defendant has not carried its burden of producing competent evidence that
20 shows a genuine issue for trial with respect to limitation [a]. See Celotex Corp., 477 U.S. at 324.

21 The Court finds that a genuine dispute of material fact *does* exist as to limitation [c] –
22 “forming a plurality of trays in the turntable that are equally circumferentially spaced apart one
23 from another about the central axis, each tray having a radially outermost stop.” Unlike with
24 limitation [a], Defendant has not conceded that the Richer Roulette contains this limitation.
25 Defendant alleged in its Non-Infringement, Invalidity, and Unenforceability Contentions that the
26 Richer Roulette “does not include a plurality of trays in the turntable that are equally
27 circumferentially spaced apart one from another about the central axis, each tray having a radially
28

1 outermost stop,” and added in its Supplemental Contentions that “[t]he Game does not include a
2 defined plurality of trays.”

3 Pointing to deposition testimony of Richar Fitoussi, President of Richar, Inc., Plaintiffs
4 argue that it is undisputed that Richer Roulette “contains 38 structures formed in a rotating
5 structure that are sized to hold what it previously called ‘cards’ – but now calls ‘tiles,’” and that
6 these structures “are enclosed on all sides except for an open top.” In other words, these structures
7 “are thus ‘semi enclosed receptacles’” – the construction that this Court adopted for the term
8 “trays.” Further, Plaintiffs contend there is “no genuine dispute that Richer Roulette’s trays include
9 a radial outer most stop,” as the trays in the Richer Roulette have a far wall that keep cards in place
10 during rotation. Compare Figure A and Figure B, below:



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20 **Figure A: Richer Roulette outermost wall**

21 **Figure B: MCR outermost wall**

(both images copied from Plaintiffs’ Motion for Summary Judgment)

22 Defendant responds that the Richer Roulette does not contain “trays” with a “radially
23 outermost stop.” Defendant argues that the Court’s Claim Construction Order rejected Plaintiffs’
24 proffered definition of “trays” – “an open receptacle sized to receive and hold a card” – in favor
25 of a narrower definition – “a *semi enclosed receptacle* sized to receive and hold a card” – because
26 a defining feature of the MCR’s receptacles is that they are “more enclosed in order to secure and
27 hold the card against ‘excessive centrifugal forces.’” (emphasis added). Citing the results of a test
28 set forth in Stacy Friedman’s Rebuttal Expert Report (the “Friedman Rebuttal Report,”) Defendant

1 argues that the Richer Roulette's game pieces, when subjected to excessive centrifugal forces, do
 2 in fact exit the receptacles. See Figure C below:



11 **Figure B** (copied from Friedman Rebuttal Report, at 22)

13 Thus, because the Richer Roulette's receptacles do not stop the inserted game pieces from
 14 escaping when subjected to excessive centrifugal forces, Defendant contends that a highly
 15 contested issue of material fact exists as to whether or not the Richer Roulette contains "a
 16 plurality of trays . . . each tray having a radially outermost stop." Plaintiffs reply that it matters
 17 not whether the Richer Roulette's game pieces can come out of the *top* of the product, but
 18 whether they can migrate radially – in other words, whether they can exit the wheel by sliding
 19 out horizontally. Plaintiffs rely on the fact that the USPTO granted Plaintiffs' patent application
 20 based on the card shuffling machine's unique ability to prevent cards from "individually
 21 creep[ing] out." Because Defendant has not identified evidence that the Richer Roulette's game
 22 pieces slide, creep, or migrate out radially, there is no genuine issue of material fact that
 23 limitation [c] exists in the allegedly infringing machine.

24 The Court finds that Defendant has established that a genuine dispute of material fact exists
 25 as to whether the Richer Roulette contains limitation [c]. In concluding that the term "tray" means
 26 a "semi enclosed receptacle sized to receive and hold a card," the Court emphasized that the
 27 USPTO allowed the '853 Patent "based upon the novelty of the 'radially outermost stop' integrated
 28 into the tray or receptacle," which "prevents cards from being *dislodged, and thrown or slid out of*

1 *the wheel by excessive centrifugal forces.*” (emphasis added). Order at 8. The Court’s construction
2 was not narrowly cabined to the concept of horizontal migration, as Plaintiffs contend. The terms
3 “dislodged” and “thrown out” suggest that the game pieces may come out of the wheel in any
4 direction. By noting that the USPTO found that the trays prevent cards from being “dislodged,”
5 “thrown out,” or “slid out” of the wheel, the Court sought to impose the “broadest construction of
6 the term [tray] which is still consistent with the intrinsic evidence.” *Id.* at 9. The Friedman Rebuttal
7 Report creates at least a question as to whether the Richer Roulette’s receptacles prevent the game
8 pieces from being “dislodged,” “thrown out,” or “slid out.” It is not this Court’s role to determine
9 or weigh the strength of that evidence, *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248-49
10 (1986), but only to determine whether it creates a genuine dispute of material fact. The Court does
11 find at this stage that a triable dispute exists as to whether the Richer Roulette’s receptacles
12 constitute “trays” with a “radially outermost stop” as required by limitation [c].

13 The Court further finds that a genuine dispute of material fact exists as to whether the
14 Richer Roulette contains limitation [d] – “providing a set of cards equal in number to the plurality
15 of trays, each card bearing an indicia related to a decision for a game of chance.” The parties do
16 not appear to dispute the meaning of the term “card,” but rather, whether the Richer Roulette in
17 fact involves “cards.” Plaintiffs proffer the dictionary definition of the word “card” – “a flat stiff
18 usually small and rectangular piece of material (such as paper, cardboard, or plastic) usually
19 bearing information” – and note that prior to the instant suit, Defendant “uniformly and
20 consistently referred” to its game pieces as “cards,” as demonstrated through Youtube instructional
21 videos and written instructions that Defendant sent to customers. Plaintiffs contend that Defendant
22 now calls its game pieces “tiles” to get around limitation [d] – as such, Plaintiffs argue that
23 whatever dispute might exist is not actually genuine.

24 Defendant, in response, argues that Plaintiffs’ evidence is internally contradictory, as
25 Plaintiffs’ expert Mark Nicely has offered a different definition of “card” – namely, a device which
26 can “1) incorporate or affix a visible indicium, 2) be placeable into a Tray, 3) be removable from
27 a Tray, and 4) after being placed into a Tray, remain within a Tray until purposefully removed.”
28 Defendant states that it does not agree with Plaintiffs’ proffered definition of the term “card,” but

1 does not offer its own definition for the term. Rather, Defendant’s contention appears to be that
2 even if Plaintiffs’ proffered dictionary definition for “card” is accepted, there remains a material
3 dispute of fact as to whether Defendant’s game pieces are in fact “flat stiff usually small and
4 rectangular piece[s] of material.” Defendant submits that its game pieces are more akin to tiles,
5 and that Plaintiffs’ definition would “absurdly re-classify all dominoes, dice, majhong pieces,
6 scrabble letters, or other gaming tiles as ‘cards.’”

7 This Court’s Claim Construction Order dictated that the term “card” is to be given its plain
8 and ordinary meaning. The plain and ordinary meaning of a claim term may be ascertained from
9 “the intrinsic evidence of record such as the claims themselves . . . but also from the ‘common
10 understanding’ of the terms that may be reflected in dictionaries, encyclopedias, and treatises.”
11 W.E. Hall Co., Inc. v. Atlanta Corrugating, LLC, 370 F.3d 1343, 1350 (Fed. Cir. 2004).
12 Accordingly, this Court accepts Plaintiffs’ proffered dictionary definition and finds that the term
13 “card” means “a flat stiff usually small and rectangular piece of material (such as paper, cardboard,
14 or plastic) usually bearing information.” See “Card,” Merriam-Webster Dictionary (last viewed
15 September 27, 2021). Having fixed the definition of the term “card,” the Court finds that a genuine
16 dispute of material fact exists as to whether Defendant’s game pieces constitute “cards.” Whether
17 Defendant’s game pieces are “flat stiff usually small and rectangular pieces of material . . . usually
18 bearing information” is precisely the type of question of fact that must be decided by a jury.

19 Finally, the Court finds no genuine dispute of material fact as to limitation [j] – “stopping
20 the turntable at a random angular position relative to the base.” As with limitation [a], Defendant
21 has conceded that the Richer Roulette contains this limitation, as Defendant failed to claim any
22 missing elements with respect to limitation [j] in its Contentions. Defendant argues that the Richer
23 Roulette “lacks any component or function to ‘stop’ the wheel once it is spun,” and thus it cannot
24 possibly contain the limitation for “stopping the turntable” The Court agrees with Plaintiffs
25 that this claim is unsupported by the record, as Mr. Fitoussi admitted in two separate depositions
26 that a “mechanism or function” – specifically, the “plunger” within the Richer Roulette – causes
27 the wheel’s rotation to slow, and to eventually stop.

1 In sum, the Court finds that a genuine dispute of material fact exists with respect to whether
 2 the Richer Roulette contains two of the twelve limitations of Claim 16: limitation [c] – “forming
 3 a plurality of trays in the turntable that are equally circumferentially spaced apart one from another
 4 about the central axis, each tray having a radially outermost stop”; and limitation [d] – “providing
 5 a set of cards equal in number to the plurality of trays, each card bearing an indicia related to a
 6 decision for a game of chance.” The Court rejects Defendant’s arguments that there exists a
 7 genuine dispute of material fact with respect to limitations [a] and [j]. Because Defendant has not
 8 contested the existence of the other eight limitations contained within Claim 16, the Court finds
 9 that a jury need only determine whether the Richer Roulette contains limitations [c] and [d].

10 **b. Indirect Infringement: Induced and Contributory**
 11 **Infringement**

12 In addition to literal infringement, Plaintiffs also allege claims under 35 USC § 271(b) for
 13 induced infringement and 35 USC § 271(c) for contributory infringement. Plaintiffs contend that
 14 no genuine dispute of material fact exists as to whether defendant induced and contributed to
 15 infringement of the ‘853 Patent.

16 35 USC § 271(b) provides that “[w]hoever actively induces infringement of a patent shall
 17 be liable as an infringer.” To prove induced infringement, the patentee must first prove direct
 18 infringement. Toshiba Corp. v. Imation Corp., 681 F.3d 1358, 1363 (Fed. Cir. 2012) (quotations
 19 omitted). Direct infringement occurs “where all steps of a claimed method are performed by or
 20 attributable to a single entity.” Akamai Techs., Inc. v. Limelight Networks, Inc., 797 F.3d 1020,
 21 1022 (Fed. Cir. 2015) (citation omitted). When more than one actor is involved in the performance
 22 of method steps, a single entity may still be held liable “(1) where that entity directs or controls
 23 others’ performance, and (2) where the actors form a joint enterprise.” Ibid. An entity may direct
 24 or controls another’s performance if it “contracts with another to perform one or more steps of the
 25 claimed method” or “conditions participation in an activity or receipt of a benefit upon
 26 performance of a step or steps of a patented method and establishes the manner or timing of that
 27 performance.” Id. at 1023. After establishing direct infringement, a patentee seeking to prove
 28

1 induced infringement must next show that the alleged infringer “knowingly induced infringement
2 and possessed specific intent to encourage another’s infringement.” Ibid. (citations omitted).

3 A party is liable for contributory infringement if it “offers to sell or sells within the United
4 States or imports into the United States . . . a material or apparatus for use in practicing a patented
5 process, constituting a material part of the invention, knowing the same to be especially made or
6 especially adapted for use in an infringement of such patent, and not a staple article or commodity
7 of commerce suitable for substantial noninfringing use.” 35 USC § 271(c). As with induced
8 infringement, a patentee bringing a claim for contributory infringement must first prove direct
9 infringement. Lucent Techs., Inc. v. Gateway, Inc., 580 F.3d 1301, 1320 (Fed. Cir. 2009) (citations
10 omitted). It must then prove that the infringer “knew that the combination for which its components
11 were made was both patented and infringing,” and that the components have “no substantial non-
12 infringing uses.” Ibid. (citations omitted).

13 Plaintiffs allege that the threshold requirement of proving direct infringement is satisfied
14 by its literal infringement analysis. They further point to three pieces of evidence that they contend
15 show that Defendant “knowingly induced infringement”: (1) Mr. Fitoussi testified that he viewed
16 INAG’s MCR prior to requesting that his counsel determine whether a INAG possessed a patent
17 on the MCR; (2) Mr. Fitoussi’s counsel informed him that the MCR was patented; and (3) Mr.
18 Fitoussi admitted that, prior to viewing the MCR, he was asked to create a game that “will put . . .
19 all other California Roulette games out of business.” These pieces of testimony, Plaintiffs allege,
20 establish that Fitoussi knew of the ‘853 Patent, and knew that he was inducing infringement of that
21 patent. Plaintiffs further contend that Defendant had the specific intent to induce infringement of
22 the ‘853 Patent, because Defendant provided to customers instructions to the Richer Roulette that
23 infringed the patented method.

24 Plaintiffs assert a similar theory with respect to their contributory infringement claim. They
25 again allege that the undisputed facts demonstrate that the Richer Roulette directly infringes the
26 ‘853 Patent, and that Defendant knew that the method employed by the Richer Roulette was both
27 patented and infringing. Plaintiffs further allege that Defendant has provided no evidence that there
28 exists any method for playing the Richer Roulette other than the method contained in its

1 instructions, which it distributes to customers and potential customers; Defendant thus fails to
2 identify any “substantial non-infringing uses.”

3 Defendant responds that Plaintiffs cannot establish the threshold showing that Defendant
4 committed direct infringement, as required for Plaintiffs’ claims of both induced and contributory
5 infringement, because the asserted claims necessarily involve the actions of third-party casino
6 operators and casino guests. These third parties, Defendant argues, are not directed or controlled
7 by Defendant, or engaged in a joint enterprise with Defendant, and thus their actions cannot be
8 attributed to Defendant for the purposes of proving direct infringement.

9 The Court denies Plaintiffs’ motion for summary judgment on the questions of induced and
10 contributory infringement for two reasons. First, for the reasons stated in the Court’s literal
11 infringement analysis, a genuine question of material facts exists with respect to whether “all steps
12 of a claimed method” – here, the method specified in Claim 16 – are performed by the Richer
13 Roulette. It is for a jury to decide whether limitations [c] and [d] of Claim 16 exist in the allegedly
14 infringing device. Second, there is a factual dispute as to whether a “single entity” performed the
15 method steps for the purposes of establishing direct infringement. Plaintiffs point to evidence of
16 licensing agreements and game instructions that Defendant provided its customers to show that
17 Defendant “establish[ed] ‘the manner . . . of [] performance’ over the game. Defendant counters
18 that the casino game operators and players act independently in performing critical steps. It is for
19 a jury to weigh the evidence put forth by both parties on the question of Defendant’s connection
20 to its casino customers and players for the purposes of direct infringement. See Akamai Techs.
21 797 F.3d at 1023 (stating that “whether a single actor directed or controlled the acts of one or more
22 third parties is a question of fact”).

23 **2. Defendant’s Motion for Summary Judgment**

24 Defendant argues it is entitled to summary judgment on two grounds: (1) the ‘853 Patent
25 is invalid under 35 U.S.C. § 102 because the asserted claims are anticipated or rendered obvious
26 by prior art, and thus Defendant is entitled to a finding of non-infringement as a matter of law; and
27 (2) the Richer Roulette does not infringe the asserted claims of the ‘853 Patent because it lacks at
28 least one element recited in each asserted claim as a matter of law.

1 As a threshold matter, Defendant contends that the ‘853 Patent is invalid under 35 U.S.C.
2 § 102 and § 103 because the existence of prior art anticipates or renders obvious the patent’s
3 asserted claims. Defendant identifies three pieces of prior art that it alleges either alone or in
4 combination invalidate the asserted claims: the Wheel of Fortune Bonus Wheel, the Caro Patent,
5 and the Pearce Patent. Defendant contends that the Bonus Wheel on its own anticipates Claim 1
6 and Claim 10 of the ‘853 Patent, that the Bonus Wheel in combination with the Caro Patent renders
7 obvious Claim 16 of the ‘853 Patent, and that the Bonus Wheel in combination with the Caro and
8 Pearce Patents renders obvious Claim 17 of the ‘853 Patent.

9 For the reasons stated above in the Court’s analysis of Defendant’s Objection to Judge
10 Youchah’s Order, Defendant may not assert invalidity theories or prior art references and
11 combinations that were not timely disclosed pursuant to the Local Patent Rules. See O2 Micro,
12 467 F.3d at 1366 (“If the parties were not required to amend their contentions promptly after
13 discovering new information, the contentions requirement would be virtually meaningless as a
14 mechanism for shaping the conduct of discovery and trial preparation.”); Silver State Intellectual
15 Techs, Inc. v. Garmin Int’l, Inc., 32 F. Supp. 3d 1155, 1164 (D. Nev. July 24, 2014) (granting
16 Plaintiff’s Motion to Strike Defendant’s amended non-infringement contentions on the basis that
17 references to prior art were not timely disclosed); Server Tech., Inc. v. Am. Power Conversion
18 Corp., 2014 U.S. Dist. LEXIS 43484, *17 (D. Nev. Mar. 31, 2014) (excluding prior art references
19 during trial because defendant failed to disclose those references in its invalidity contentions).
20 Because Defendant failed to timely disclose the Bonus Wheel, the Court cannot consider whether
21 the Bonus Wheel anticipates or renders obvious the ‘853 Patent.

22 The Court next evaluates whether the Caro and Pearce Patents – standing alone – invalidate
23 the ‘853 Patent. Defendant does not allege that, in the absence of the Bonus Wheel, the asserted
24 claims of the ‘853 Patent are rendered obvious or anticipated by the Caro Patent, Pearce Patent, or
25 Caro Patent in combination with the Pearce Patent. As such, Plaintiffs have not squarely addressed
26 whether a genuine dispute of material fact would exist as to the obviousness of the ‘853 Patent’s
27 asserted claims based on the Caro and Pearce Patents alone. Nevertheless, this Court finds that
28 Defendant could not carry its burden of providing sufficient evidence “which would entitle it to a

directed verdict” if the proffered evidence of obviousness went uncontroverted at trial. C.A.R. Transp. Brokerage Co., 213 F.3d at 480.

In the absence of the Bonus Wheel’s claimed elements, Defendant’s invalidity charts are left with only the following comparisons to support a claim of obviousness:

‘853 Patent – Claim 16	Caro Patent
Providing a bet selection region;	Caro discloses placing a wager on a bet selection region. “FIG. 4 illustrates a preferred wager layout area. . . . The layout area [] is designed to receive wages [sic: wagers] for an inner plate while layout area [] is designed for receiving wages corresponding to indicia on the outer plate. In accordance with the advantages of the present invention, layout area [] is designed to receive wages wherein the person wagering hopes that the same number will come up on both the inner and outer plates.” Caro at 3:52-62.
Making a forecast on the outcome of said game of chance by associating a marker on the bet selection region with at least one of many possible game outcomes;	Caro discloses placing a wager on a bet selection region. “FIG. 4 illustrates a preferred wager layout. . . . The layout area [] is designed to receive wages [sic: wagers] for an inner plate while layout area [] is designed for receiving wages corresponding to indicia on the outer plate. In accordance with the advantages of the present invention, layout area [] is designed to receive wages wherein the person wagering hopes that the same number will come up on both the inner and outer plates.” Caro at 3:52-62.

‘853 Patent – Claim 17	Caro + Pearce Patent
The method for playing a game of chance according to claim 16 wherein said step of announcing a game decision including displaying an image of the one card removed from its tray on a video monitor;	Pearce discloses “a detection system for detecting a winning number in a roulette wheel game in which video images of at least one pocket and at least one corresponding colored pocket number region in a one-fifth region of the roulette wheel are obtained.” Pearce at 1:53-57. Pearce also discloses a “winning number display system” that “performs the video processing” and outputs “winning number information . . . over an RS485 line to a controller [], which is

	provided with a key pad [] and is connected to a display [] which is provided in the vicinity of the roulette wheel for the display of the winning number, among other information.” Pearce at 5:57-67.
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“A claimed invention is unpatentable due to obviousness if the differences between it and the prior art ‘are such that the subject matter *as a whole* would have been obvious at the time the invention was made to a person having ordinary skill in the art.’” Ruiz v. A.B. Chance Co., 234 F.3d 654, 662 (emphasis added) (quoting 35 U.S.C. § 103(a)). Importantly, “a patent composed of several elements is not proved obvious merely by demonstrating that each of its elements was, independently, known in the prior art.” KSR Int’l Co. v. Teleflex Inc., 550 U.S. 398, 418 (2007).

Here, the remaining alleged elements in the Caro and Pearce Patents plainly do not render the ‘863 Patent invalid for obviousness, as they do not make it such that the ‘853 Patent “as a whole” would have been obvious. They cover only very few of the limitations asserted in claims 16 and 17, and they arguably do not address the most critical limitation – that of the “radially outermost stop.” As noted above and in the Court’s Claim Construction Order, the ‘853 Patent was allowed “based upon the novelty of the ‘radially outermost stop’” – a limitation not alleged to be disclosed by the Caro or Pearce Patents at all. The Court thus rejects Defendant’s contention that the ‘853 Patent is invalid for obviousness.

Defendant also argues it is entitled to summary judgment because the Richer Roulette does not possess every limitation in each asserted claim, either literally or under the doctrine of equivalents. Defendant’s arguments here are identical to those raised in its Response to Plaintiffs’ Motion for Summary Judgment. Defendant contends that several limitations within claims 1 and 16 are not met, because (1) the Richer Roulette lacks a stationary base; (2) the Richer Roulette lacks trays and radially outermost stops; (3) the Richer Roulette lacks cards; and (4) the Richer Roulette does not progressively slow a free rotating turntable to rest. Defendant adds that Claim 16 is a method claim involving the actions of third-party individuals unaffiliated with Defendant – thus Defendant cannot be liable for infringement under that claim. Further, because claims 10 and 17 are dependent claims based upon independent claims 1 and 16, respectively, and “it is

1 axiomatic that dependent claims cannot be found infringed unless the claims from which they
2 depend have been found to have been infringed,” Defendant adds that it cannot be found to infringe
3 claims 10 and 17.

4 For the reasons stated above in the Court’s analysis of Plaintiffs’ Motion for Summary
5 Judgment, the Court finds there to be no dispute that the Richer Roulette includes a stationary base,
6 and that the Richer Roulette’s turntable progressively slows until it comes to a complete rest. The
7 Court does find that there is a genuine dispute of material fact as to whether the Richer Roulette
8 lacks trays with radially outermost stops, and whether the Richer Roulette involves cards. On the
9 question of divided infringement, the Court again observes that whether Defendant directed or
10 controlled the acts of the third-party casino operators and guests in carrying out the method steps
11 is a question of fact for the jury. As such, the Court rejects Defendant’s claim that the Richer
12 Roulette does not infringe the ‘853 Patent as a matter of law, and denies Defendant’s Motion for
13 Summary Judgment.

14
15 **VI. CONCLUSION**

16 **IT IS THEREFORE ORDERED** that the Magistrate Judge’s Order Granting Plaintiffs’
17 Motion to Strike Defendant’s Expert Report and Denying Defendant’s Motion to Amend, (ECF
18 No. 127), is **AFFIRMED**.

19 **IT IS FURTHER ORDERED** that Plaintiffs’ Motion for Summary Judgment, (ECF No.
20 95), and Defendant’s Motion for Summary Judgment, (ECF No. 116), are **DENIED** without
21 prejudice.

22 **IT IS FURTHER ORDERED** that a status conference is set in this case for November 5,
23 2021 at 10:00 AM by videoconference. The instruction regarding videoconference appearance to
24 be issued.

25 DATED: September 30, 2021.

26
27 

28 **RICHARD F. BOULWARE, II**
UNITED STATES DISTRICT JUDGE